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Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

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Highlights

Summer Break For Students And Some Workers

The July jobless rate for the state of Washington jumped up one-tenth of a point from June to reach 5.7 percent of the work force. This was not unexpected as movement of noncertified workers from the school systems for the summer recess added to the ranks of those looking for work. The comparable national unemployment figure fell two-tenths to reach 5.3 percent in July.

Total nonagricultural wage and salary employment fell 25,900 between June and July. Education payrolls dropped 35,600 in public schools and another 2,300 in private institutions. Come September, it is quite possible that a greater number will be added to district staffs in response to increases in school-age population.

Other typical fluctuations showed up in the agricultural and food processing industries. Because they were between crops, waiting for the soft fruits to ripen, fewer workers were engaged in the processing and wholesale distribution of fresh fruits and vegetables.

Volume 13, Number 8

RESIDENT CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN WASHINGTON STATE

	July 1989 prelim.	June 1989 revised	July 1988
Resident Civilian Labor Force	2,431,400	2,441,300	2,342,000
Employment	2,292,600	2,304,800	2,196,900
Unemployment	138,800	136,500	145,100
Unemployment Rate	5.7%	5.6%	6.2%
National Unemployment Rate	5.3%	5.5%	5.3%

Data in this table are not seasonally adjusted.

Official U.S. Department of Labor, Bureau of Labor Statistics data.

INDUSTRY DEVELOPMENTS

Construction activity in Washington was at its highest July level since the zenith of WPPSS activity in July of 1979 and experienced its largest June-July gain ever (3,600). Continued road-building and commercial projects (not another strip-mall!) have been dominating much of this activity. In the meantime, in order to more quickly accommodate the large influx of new population, residential construction has concentrated on multi-family rather than single-family dwellings.

WASHINGTON STATE CONSTRUCTION JOBS

Is The Top In Sight?

Monthly increases in aerospace employment appear to be moderating. Between January and June, over-the-month differences averaged 1,300 new workers, while the June-July difference was 800. Current concerns about workers on the B-2 project and in Boeing Electronics could further moderate these gains over the next several months.

Can't Tell The Players Without A Program

The logging and lumber industry was down several hundred workers between June and July. All the movement was related to decreased logging activity whereas milling activity remained unchanged. With so many additional players in the game today, it is hard to tell why this downturn occurred: was it for litigious reasons, housing market fluctuations (local, national or international), too much inventory build-up or some other esoteric reason? I only know for sure that it was not weather related.

Trade Comparisons Troublesome

Some atypical movement was seen in retail trade. The labor dispute involving 8,000 food store workers was still being felt throughout the division, retarding monthly and annual changes. Preliminary employment estimates for eating and drinking establishments were actually down a bit from June figures. This is more likely a problem with employee retention rather than a falloff in demand.

Bus Drivers Take A Breather

The effects of the summer vacation for the school districts do not stop with local government employment. Within the transportation industry, local, suburban and interurban payrolls declined 3% as a result of school bus fleets being idled for the summer.

Business is Healthy And Health is Healthy

Though their month-to-month employment gains were modest, services still leads all major industry divisions in over-the-year increases with 26,800 new jobs. Business and health services in combination added over 50 percent of all new services jobs. Within business services, the fastest growing sector has been computer and data processing services. In the twelve months since July, 1988, employment has surged 19.8 percent or 2,200 new jobs.

Who's Spreading Those Stories Anyway

In other over-the-year developments, the finance, insurance and real estate division has shown renewed strength. Banking establishments alone have added 1,000 to their payrolls. The big news, however, is in real estate whose payrolls have grown 2,200 in the 12-month span. The seemingly unending influx of new population

has generated a get-it-while-you-can home-buying attitude. Horror stories of monied Californians have saturated the Puget Sound region and helped spur locals to make quick purchasing decisions.

AREA TRENDS

A majority of the labor markets in Washington experienced an increased jobless rate between June and July and many were for similar reasons: school-year and agricultural fluctuations.

Seattle Leads Metro Areas

Among the metropolitan areas, only the Seattle PMSA experienced no change in its jobless rate, remaining at a mere 4.5 percent. The unemployment rate in all other metro-areas rose anywhere from a modest one-tenth of a point in Tacoma (5.9 in June to 6.0 in July) to over a full percentage point in Yakima (8.9 percent in June to 10.2 in July).

The Smaller They Are The Harder They Are To Predict

The smaller labor market areas were, of course, much more volatile. Contrary to the large-area pattern, a majority of the non-metro areas (14 out of 27) reported an improved jobless situation. Despite that, a few did report some extreme June-July movement, both Adams and Columbia close to doubled their unemployment rates: from 6.4 to 13.6 in Adams and from 6.6 to 13.1 in Columbia. Both areas were suffering from the between-crop doldrums. This in turn created an unusual situation: long-suffering Skamania county, whose jobless rate declined between June and July, was no longer the area with the highest unemployment rate.

STATE TOTAL RESIDENT EMPLOYMENT

STATE TOTAL RESIDENT UNEMPLOYMENT

How Low Can They Go?

Only in a small area can 10 workers drop off the unemployment rolls and cause the unemployment rate to fall almost a full percentage point. Well, this happened in Garfield county. Garfield and Whitman counties have been neck-and-neck in the lowest unemployment rate rankings for the past few months with Garfield taking the lead in July.

Who Are The Unemployed?

Recent news stories have reported on the declining share of unemployed workers who receive unemployment insurance. On the national level, it appears that less than one-third of all jobless workers receive UI. This fraction varies markedly between states as eligibility criteria and administrative policies differ by geographic region. Washington state has been well above the national average; closer to 50 percent of jobless workers in calendar 1988 received jobless benefits.

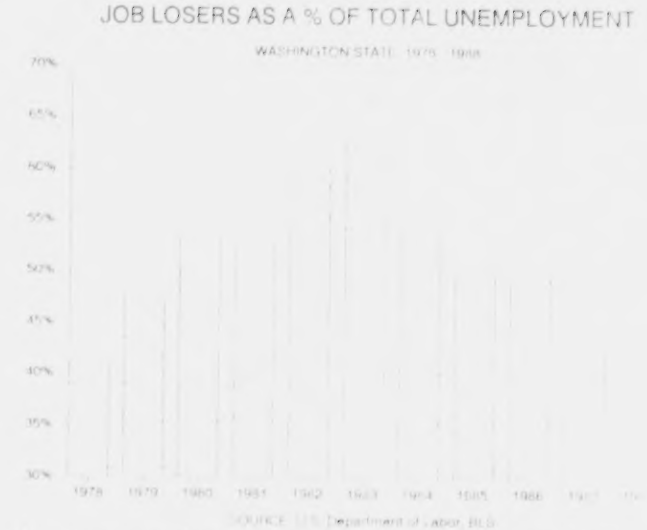
The real crux of the matter is why workers are unemployed. Jobless workers can be divided into four broad categories:

- Job Losers - those who lost their last job through no fault of their own.
- Job Leavers - those who voluntarily quit, be it to follow a spouse or because of job dissatisfaction.
- New Entrants - those looking for their very first job.
- Re-Entrants - those who had been out of the work force for a while, possibly for health reasons or child rearing, and are now returning.

It is job-losers - those who lost their last job through no fault of their own - that unemployment insurance is supposed to protect.

How many of the unemployed are actually job-losers? In calendar year 1988, it is estimated that 44.3 percent of the unemployed in Washington were job-losers; an annual average of 62,500 out of the 141,000 total unemployed. However, this ratio changes markedly over the course of the business cycle. In 1983, at the peak of the last recession, job-losers made-up 62.7 percent of the total count of jobless workers. It is apparent that economic growth, in and of itself, contributes to the declining share of job-losers.

That does not tell the whole story, however. The industries that have grown fastest in the last decade, services and retail trade, have been those that use a higher



than average share of part-time workers. Part-time workers have been estimated to comprise 21.5 percent of all employed workers as of 1988. It has been hypothesized that a lesser share of part-time workers are aware of their unemployment insurance eligibility than are their full-time counterparts. And, in many states, though not in Washington, changes in UI policy over the past few years have also placed additional qualifying criteria on jobless workers.

No doubt the demographic composition of the work force also plays a factor. The increased share of job-leavers and re-entrants has probably been influenced by the return to a more normal fertility rate among women in their prime child-bearing years, ages 25 to 34. As a result, work force continuity and UI eligibility have probably declined a bit in the past few years.

In any event, there does not seem to be any one overwhelming reason for the declining share of jobless workers nationwide receiving unemployment insurance; agency policies, industry restructuring, economic expansion and workforce demographics have each played an important role.

INDUSTRY NOTES

Feds Buy Fruit

With the early July announcement that the Federal Government would cough up $15 million to purchase apples, shipments perked up considerably. Until then shipments were running about 25 percent below year-earlier levels and inventories were running up to 53 percent higher than comparable periods. But as of the

second week in July, shipments increased to 898,000 42-pound boxes per/week.

Life Is A Box Of Cherries

The good news on the agricultural front stems from cherries. Washington cherry growers have done their homework on the Japanese market, and as a result have made some significant inroads. About 30 percent of all Washington and Oregon cherries are exported to Japan, Taiwan, Hong Kong, Singapore, Thailand, South Korea, England, Sweden, Finland and the Middle East. It is Japan that buys about half of all Washington cherry exports even though air-freight charges can add more than one dollar per pound to the price.

B-2 Workers Hard To Detect

Boeing had everyone guessing as to their involvement in the B-2 Stealth Bomber project up until recently. According to Boeing Advanced Systems, the division that builds lightweight, composite wing assemblies for the B-2, over 5,000 local workers have been engaged on the project. Nine companies in Washington and a total of 156 companies in 46 states are either subcontractors or suppliers to Northrop Corporation, the prime contractor for the B-2.

Honey, While You're At The Store Pick Up Some Bread, Eggs, Milk, Loan Application, ...

In a move that illustrates the changing, more competitive nature of the banking and finance industry, Pacific First Federal Savings Bank announced plans to open two branches in Seattle-area QFC food stores. Seafirst already has a branch in an Olympia Top Foods store, and Security Pacific, Olympic Savings and Pioneer Federal Savings Bank are planning branches for Safeway stores. The major advantage of such facilities is they can be opened for about one-tenth the cost of a free standing branch. The branches will be open the same hours as the store and offer deposit, withdrawal, checking, savings, money market accounts and consumer loan services.

NATIONAL INDICATORS

Plant Capacity Even

Plant operating capacity continued at a more moderate pace in July. Figures from the Federal Reserve reported factory utilization across the nation at 83.6 percent, the same as in June. The question this invokes is whether this moderate use resulted from the decline in orders for factory goods or from the actual expansion of plant capacity.

Factory Orders Down

Speaking of which, factory orders did decline 1.7 percent in July, this after increasing 0.6 percent in June.

Much of this downturn stems from a decline in orders for durable goods such as aircraft and automobiles.

Housing Starts Up

Housing starts, suppressed by a cautious public for the past several months, took a positive turn this July. On the strength of a 6.3 percent surge in single-family starts (which pushed their annualized rate to just over one million units), total housing starts rose 0.8 percent. That translates to an annual rate of 1.43 million units nationwide.

Producer Prices Down

More good news on the inflation front . . . producer prices for finished goods fell 0.4 percent in July, following an earlier 0.1 percent drop in June. This should carry over to the retail side, providing further evidence of inflation's waning.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1982-1984 = 100

	INDEXES			PERCENT CHANGE FROM	
	July 89	June 89	July 88	June 89	July 88
U.S. AVG	124.4	124.1	118.5	0.2%	5.0%
	Jan-Jun 1989	Jul-Dec 1988	Jan-Jun 1988	2nd Half 1988	1st Half 1988
SEATTLE*	116.7	113.8	111.9	2.5%	4.3%

*The index for Seattle reflects prices in King, Pierce and Snohomish Counties.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK [1]
(In Thousands)

Not Seasonally Adjusted INDUSTRY	July 1989 (Prel)	June 1989 (Rev)	July 1988 (Rev)	June 1988 (Rev)	Numeric Change June 1989 to July 1989	 July 1988 to July 1989
TOTAL NONAG. WAGE AND SALARY	2027.7	2053.6	1935.8	1961.3	-25.9	91.9
MANUFACTURING	362.8	361.0	338.6	340.6	1.8	24.2
Durable Goods	261.5	260.5	241.3	242.2	1.0	20.2
Lumber and Wood Products	43.3	43.5	41.4[3]	43.1[3]	-0.2	1.9
Furniture & Fixtures	4.3	4.3	4.2	4.2	0.0	0.1
Stone, Clay & Glass	7.9	7.8	7.8	7.7	0.1	0.1
Primary Metals	13.4	13.4	12.8[3]	12.7[3]	0.0	0.6
Aluminum	9.1	9.1	8.9	8.7	0.0	0.2
Fabricated Metals	11.4	11.3	11.0	10.9	0.1	0.4
Machinery	34.1	34.0	31.5	31.3	0.1	2.6
Machinery (Except Electric)	19.6	19.7	18.0	17.9	-0.1	1.6
Electrical Equipment	14.5	14.3	13.5	13.4	0.2	1.0
Transportation Equipment	129.3	128.6	115.7	115.4	0.7	13.6
Aerospace	114.5	113.7	100.7	100.2	0.8	13.8
Other Transportation Equipment	14.8	14.9	15.0	15.2	-0.1	-0.2
Instruments & Related	11.9	11.8	11.6	11.6	0.1	0.3
Miscellaneous Manufacturing	5.9	5.8	5.3	5.3	0.1	0.6
Nondurable Goods	101.3	100.5	97.3	98.4	0.8	4.0
Food & Kindred Products	34.3	34.3	32.0	33.4	0.0	2.3
Canned & Preserved Foods	12.6	12.9	11.1	12.9	-0.3	1.5
Apparel & Allied Products	6.3	6.2	6.3	6.1	0.1	0.0
Paper & Allied Products	17.9	17.7	17.6	17.3	0.2	0.3
Printing & Publishing	22.0	21.9	21.5	21.5	0.1	0.5
Chemicals & Allied Products	10.3	10.2	10.4	10.5	0.1	-0.1
Other Nondurable Goods[2]	10.5	10.2	9.5	9.6	0.3	1.0
MINING & QUARRYING	3.5	3.5	3.4	3.4	0.0	0.1
CONSTRUCTION	112.2	108.6	101.6[3]	98.9	3.6	10.6
TRANSP., COMMS. & UTILITIES	107.4	106.3	103.0	102.4	1.1	4.4
WHOLESALE & RETAIL TRADE	498.7[3]	499.4[3]	480.8[3]	480.5[3]	-0.7	17.9
Wholesale Trade	122.2	123.4	116.8	117.5	-1.2	5.4
Retail Trade	376.5[3]	376.0[3]	364.0[3]	363.0[3]	0.5	12.5
FINANCE, INSURANCE & REAL ESTATE	116.0	115.5	111.1	110.5	0.5	4.9
SERVICES	473.7	473.9	446.9	449.9	-0.2	26.8
Health Services	140.7	139.8	134.4	134.8	0.9	6.3
GOVERNMENT	353.4	385.4	350.4	375.1	-32.0	3.0
Federal	73.9	73.4	73.2	73.3	0.5	0.7
State & Local	279.5	312.0	277.2	301.8	-32.5	2.3
Education	129.9	165.5	128.7	158.9	-35.6	1.2
(WORKERS IN LABOR-MANAGEMENT DISPUTES)	8.0	8.0	2.4	0.7	0.0	5.6

[1]Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.
[2]Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.
[3]Workers excluded because of involvement in labor-management disputes

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR FORCE MARKET AREAS

(Not Seasonally Adjusted)

DATE: 8/29/89
Benchmark : 1988

Washington Labor Market 10

	JULY 1989 PRELIMINARY[1]				JUNE 1989 REVISED[1]				JULY 1988 REVISED[1]			
	Labor Force	Employment	Unemployment	Unemp Rate	Labor Force	Employment	Unemployment	Unemp Rate	Labor Force	Employment	Unemployment	Unemp Rate
Washington State total	2,431,400	2,292,600	138,800	5.7	2,441,300	2,304,800	136,500	5.6	2,342,000	2,196,900	145,100	6.2
Bellingham MSA	62,200	58,300	3,900	6.3	61,800	57,700	4,100	6.6	59,700	55,800	3,900	6.5
Bremerton MSA	77,600	73,700	3,900	5.0	77,700	74,000	3,700	4.8	76,900	72,600	4,300	5.6
Olympia MSA	79,000	74,400	4,600	5.8	78,400	74,200	4,200	5.4	76,200	71,300	4,900	6.4
Seattle PMSA	1,092,400	1,043,100	49,300	4.5	1,089,400	1,040,300	49,100	4.5	1,036,000	983,600	52,400	5.1
King County[2]	865,100	825,900	39,200	4.5	862,900	823,700	39,200	4.5	820,200	778,800	41,400	5.0
Snohomish County[2]	227,300	217,200	10,100	4.4	226,600	216,600	10,000	4.4	215,800	204,800	11,000	5.1
Spokane MSA	170,500	160,600	9,900	5.8	172,300	162,600	9,700	5.6	165,000	154,800	10,200	6.2
Tacoma PMSA	252,100	237,000	15,100	6.0	252,400	237,400	15,000	5.9	243,300	227,600	15,700	6.5
Tri-Cities MSA	71,400	66,000	5,400	7.6	77,800	72,700	5,100	6.6	70,500	64,700	5,800	8.2
Benton County[2]	54,800	51,000	3,800	6.9	60,000	56,200	3,800	6.3	54,400	50,000	4,400	8.1
Franklin County[2]	16,600	15,000	1,600	9.6	17,800	16,500	1,300	7.3	16,100	14,700	1,400	8.7
Vancouver PMSA	121,500	114,800	6,700	5.5	121,500	114,600	6,900	5.7	117,100	110,400	6,700	5.7
Yakima MSA	99,400	89,300	10,100	10.2	105,800	96,400	9,400	8.9	97,600	87,500	10,100	10.3
Adams	7,300	6,310	990	13.6	7,370	6,900	470	6.4	7,200	6,070	1,130	15.7
Asotin	9,730	9,350	380	3.9	9,830	9,430	400	4.1	9,300	8,810	490	5.3
Clallam	23,140	21,360	1,780	7.7	22,900	21,260	1,640	7.2	23,550	21,810	1,740	7.4
Columbia	1,830	1,590	240	13.1	2,730	2,550	180	6.6	1,730	1,470	260	15.0
Cowlitz	36,640	33,860	2,780	7.6	37,410	34,780	2,630	7.0	36,360	33,620	2,740	7.5
Ferry	3,140	2,830	310	9.9	2,990	2,680	310	10.4	2,940	2,690	250	8.5
Garfield	1,120	1,100	20	1.8	1,140	1,110	30	2.6	1,170	1,140	30	2.6
Grant	26,530	23,900	2,630	9.9	27,540	25,230	2,310	8.4	26,410	23,690	2,720	10.3
Grays Harbor	25,010	22,730	2,280	9.1	25,600	23,430	2,170	8.5	26,180	23,990	2,190	8.4
Island	20,680	19,810	870	4.2	20,840	20,050	790	3.8	19,770	18,890	880	4.5
Jefferson	8,500	8,090	410	4.8	8,400	8,010	390	4.6	8,310	7,860	450	5.4
Kittitas	11,010	10,050	960	8.7	11,910	10,930	980	8.2	10,840	9,870	970	8.9
Klickitat	8,510	7,630	880	10.3	8,460	7,460	1,000	11.8	8,560	7,710	850	9.9
Lewis	25,780	23,880	1,900	7.4	25,650	23,890	1,760	6.9	25,240	23,240	2,000	7.9
Lincoln	4,770	4,590	180	3.8	4,610	4,440	170	3.7	4,800	4,610	190	4.0
Mason	15,380	14,410	970	6.3	15,220	14,240	980	6.4	13,530	12,560	970	7.2
Okanogan	17,240	15,570	1,670	9.7	16,830	15,070	1,760	10.5	16,520	14,500	2,020	12.2
Pacific	7,940	7,260	680	8.6	7,630	6,960	670	8.8	7,850	7,310	540	6.9
Pend Oreille	3,660	3,230	430	11.7	3,570	3,170	400	11.2	3,530	3,110	420	11.9
San Juan	6,650	6,490	160	2.4	6,310	6,100	210	3.3	6,350	6,160	190	3.0
Skagit	37,260	34,650	2,610	7.0	34,710	32,040	2,670	7.7	36,970	34,350	2,620	7.1
Skamania	2,460	2,160	300	12.2	2,740	2,370	370	13.5	2,230	1,900	330	14.8
Stevens	12,570	11,570	1,000	8.0	12,650	11,640	1,010	8.0	12,240	11,300	940	7.7
Wahkiakum	1,260	1,190	70	5.6	1,190	1,120	70	5.9	1,310	1,220	90	6.9
Walla Walla	24,250	22,920	1,330	5.5	25,030	23,680	1,350	5.4	24,420	22,930	1,490	6.1
Wenatchee Labor Area	44,940	41,170	3,770	8.4	42,880	38,800	4,080	9.5	45,170	41,010	4,160	9.2
Chelan County[2]	30,400	27,570	2,830	9.3	29,000	25,980	3,020	10.4	30,590	27,460	3,130	10.2
Douglas County[2]	14,540	13,600	940	6.5	13,880	12,820	1,060	7.6	14,590	13,550	1,040	7.1
Whitman	17,910	17,540	370	2.1	17,870	17,480	390	2.2	17,340	16,860	480	2.8

[1]Official U.S. Department of Labor, Bureau of Labor Statistics data.
[2]Estimates are determined by using the Population/Claims share disaggregation methodology.
Note: Detail may not add due to rounding.

STATE OF WASHINGTON = 5.7%

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim July Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		July 89	June 89	July 88	July 89	June 89	July 88	July 89	June 89	July 88
TOTAL MANUFACTURING INDUSTRIES*	216,806	$507.73	$503.06	$477.53	40.2	40.8	39.4	$12.63	$12.33	$12.12
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	36,177	$475.30	$457.94	$429.78	38.8	40.1	37.7	$12.25	$11.42	$11.40
Primary Metal Industries	10,548	$531.68	$534.66	$536.54	41.7	42.0	43.2	$12.75	$12.73	$12.42
Fabricated Metal Products	9,305	$498.56	$500.11	$458.14	41.0	41.4	40.4	$12.16	$12.08	$11.34
Machinery	22,465	$367.41	$381.23	$371.67	37.0	39.1	39.0	$9.93	$9.75	$9.53
Food and Kindred Products	24,929	$387.86	$361.86	$351.46	38.1	36.7	35.9	$10.18	$9.86	$9.79
Chemical and Allied Products	4,209	$617.71	$615.50	$614.72	40.8	40.6	38.3	$15.14	$15.16	$16.05
Transportation Equipment	60,762	$646.49	$644.47	$607.89	43.8	44.0	42.9	$14.76	$14.45	$14.17
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	83,790	$629.97	$618.38	$594.08	37.7	37.5	37.2	$16.71	$16.49	$15.97
Wholesale and Retail Trade (does not include eating and drinking establishments)	306,078	$333.61	$323.23	$314.22	33.6	33.6	32.8	$9.87	$9.62	$9.58

* Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions depend upon official US Bureau of Labor Statistics hourly earning data.

Employment Security Department
KG-11
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Official Business
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POSTAGE AND FEES PAID
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LAB-449

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